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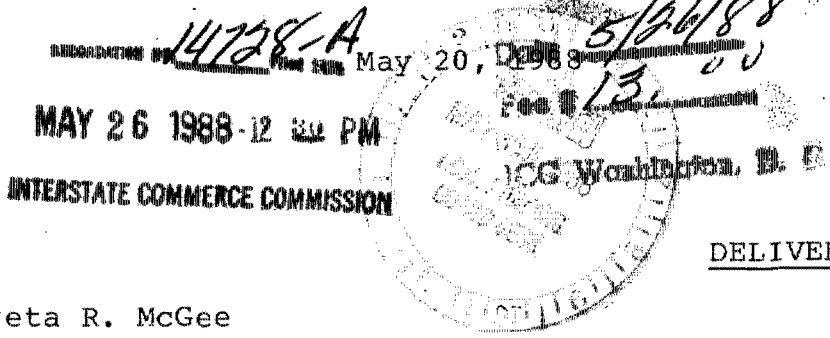
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MARK L. HESSEL**
STEPHEN D. NILES*
KEVIN M. SHEYS*

*NOT ADMITTED IN D.C.
**ADMITTED IN MD.



DELIVERED BY HAND

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

I have enclosed an original and two copies of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a Note Purchase and Assignment Agreement (the "Agreement"), a secondary document, dated April 14, 1988, and covering the following:

Thirty (30) GP-10 locomotives, GM manufacturer, bearing serial numbers 8034, 8051, 8100, 8106, 8115, 8133, 8148, 8167, 8187, 8191, 8193, 8195, 8197, 8210, 8211, 8212, 8215, 8222, 8223, 8225, 8226, 8227, 8228, 8230, 8235, 8236, 8247, 8248, 8256 and 8266, respectively, as listed in Annex III of the Agreement;

Ten (10) 100 Ton Ore Hopper Cars, various manufacturers, bearing serial numbers 100715 through 100724, respectively, as listed in Annex III of the Agreement; and

Maintenance-of-way equipment as listed in Annex III of the Agreement.

Country Club

Ms. Noreta R. McGee

-2-

May 20, 1988

The primary document to which this is connected is recorded under Recordation No. 14728.

The names and addresses of the parties to the Agreement are as follows:

Assignors: Westinghouse Credit Corporation (to Prospect)
One Oxford Center
Pittsburgh, Pennsylvania 15219

Gulf & Mississippi Railroad Corporation (to SouthRail)
Route 5, Highway 45-N/Perkins Road
Columbus, Mississippi 39705

Assignees: The Prospect Group, Inc.
645 Madison Avenue
New York, New York 10022

SouthRail Corporation
111 E. Capitol Street
Jackson, Mississippi 39205



A check made payable to the Commission in the amount of \$13.00 is enclosed for the fee. Please return the original attached to this letter and one copy of the Agreement, both evidencing recordation, to:

Laurence R. Latourette
Weiner, McCaffrey, Brodsky & Kaplan, P.C.
1350 New York Avenue, N.W.
Suite 800
Washington, D.C. 20005-4797

A short summary to appear in the index follows:

4/14/88 Note Purchase and Assignment Agreement, covering all rolling stock and railroad maintenance equipment listed in Annex III of the Agreement.

Very truly yours,

Christy Story

Christy Story
Legal Assistant

WEINER, McCAFFREY, BRODSKY & KAPLAN, P.C.

ATTORNEYS AT LAW

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R. LAWRENCE McCAFFREY, JR.
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May 26, 1988

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*NOT ADMITTED IN D.C.
**ADMITTED IN MD.

DELIVERED BY HAND

Ms. Noretta R. McGee
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

On Friday, May 20, the enclosed transmittal letter, together with an original and two copies of an April 14, 1988 Note Purchase and Assignment Agreement (the "Agreement") (a copy of which is also enclosed), was delivered by hand via courier to the Commission for recordation pursuant to Section 11303 of Title 49 of the United States Code. The security personnel at the front desk who received the documents date-stamped the original letter and returned it to the courier. Thus, the documents received by you for recordation did not have an explanatory cover letter.

Please return the original and one copy of the Agreement, both evidencing recordation, in the self-addressed envelope via messenger. If you have any questions, please do not hesitate to contact me at 202/628-2000.

Sincerely,

Christy Story

Christy Story
Legal Assistant

Enclosures

JCS/1r/3226F/7170-2

Interstate Commerce Commission
Washington, D.C. 20423

5/26/88

OFFICE OF THE SECRETARY

Christy Story

Legal Assistant

Weiner, McCaffrey, Brodsky & Kaplan P.C.

1350 New York Avenue, N.W.

Washington, D.C. 20005-4797

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/26/88 at 12:30pm, and assigned recordation number(s). 14728-A

Sincerely yours,

Narta L. McEue

Secretary

Enclosure(s)

CONFIDENTIAL - SECURITY INFORMATION
EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION

CONFIDENTIAL - SECURITY INFORMATION

1. The purpose of this document is to provide information regarding the security of the information contained herein. This information is classified as CONFIDENTIAL - SECURITY INFORMATION.

2. This information is to be controlled in accordance with the requirements of the security policy.

3. This information is to be controlled in accordance with the requirements of the security policy.

4. This information is to be controlled in accordance with the requirements of the security policy.

5. This information is to be controlled in accordance with the requirements of the security policy.

6. This information is to be controlled in accordance with the requirements of the security policy.

AGREEMENT

14728-A
RECEIVED MAY 26 1988 PM 1:00

MAY 26 1988 12 32 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT made this 14th day of April, 1988 among Westinghouse Credit Corporation ("WCC"), The Prospect Group ("Prospect"), SouthRail Corporation (SouthRail") and Gulf & Mississippi Railroad Corporation ("GMRR").

WHEREAS, WCC and GMRR entered into a Security Agreement dated as of June 28, 1985 ("Security Agreement"), pursuant to which WCC made a loan to GMRR to enable GMRR to purchase certain rolling stock, which loan was evidenced by a certain promissory note dated as of June 28, 1985, in the original principal amount of \$1,586,280.00 ("Equipment Note");

WHEREAS, WCC and GMRR also entered into a Security Agreement (Maintenance Equipment) dated as of June 28, 1985 ("Maintenance Agreement" and together with the Security Agreement, the "Agreements"), pursuant to which WCC made a loan to GMRR to enable GMRR to purchase certain railroad maintenance equipment, which loan was evidenced by two promissory notes in the amounts of \$121,629 and \$251,876.40, and dated as of June 28, 1985 and July 29, 1985, respectively (the "Maintenance Equipment Notes" and together with the Equipment Note, the "Notes");

WHEREAS, GMRR and SouthRail have executed a Purchase and Sale Agreement, dated as of December 31, 1987 ("P&S Agreement"), pursuant to which GMRR has agreed to sell substantially all of its assets to SouthRail, and SouthRail has agreed to assume most of GMRR's outstanding liabilities, including all of GMRR's obligations under the Agreements and the Notes;

WHEREAS, WCC wishes to sell the Notes and to assign the Agreements to Prospect, and Prospect wishes to purchase the Notes and to assume the Agreements.

NOW, THEREFORE, for good and valuable consideration as described below and otherwise, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties hereof agree as follows:

ARTICLE I

Sale and Purchase of the Notes

WCC, in consideration of \$938,678.08, which Prospect will deliver to WCC in immediately available funds by wire transfer to an account at Citibank, N.A., 399 Park Avenue, New York, New York, ABA-021000089, credit to: Westinghouse Credit Corporation, Account No. 3848-7299, on the date hereof, hereby agrees to sell, deliver, assign, transfer, endorse and set over to Prospect the Notes and all of its estate, right, title and interest therein.

ARTICLE II

Assignments and Assumptions

SECTION 2.1 GMRR Assignment. GMRR hereby assigns, sells, transfers and sets over to and for the benefit of SouthRail all estate, right, title, and interest GMRR has in the Agreements and all rights and obligations GMRR has under the Notes.

SECTION 2.2 WCC Assignment. WCC hereby assigns, sells, transfers and sets over to and for the benefit of Prospect all estate, right, title and interest WCC has in the Agreements.

SECTION 2.3 SouthRail Assumption. SouthRail hereby assumes the rights and obligations of GMRR under the Agreements and under the Notes, and agrees to hold GMRR harmless from any claim or demand made thereunder.

SECTION 2.4 Prospect Assumption. Prospect hereby agrees to assume the rights and obligations of WCC under the Agreements, and agrees to hold WCC harmless from any liability, claim or demand made thereunder by any person or entity.

ARTICLE III

Consents and Releases

SECTION 3.1 WCC Consent and Release. WCC hereby consents, to the extent necessary if any, to the assignment of

the Agreements and the Notes by GMRR to SouthRail and hereby releases GMRR from all obligations of GMRR under the Agreements and the Notes as of the date hereof.

SECTION 3.2 GMRR Consent and Release. GMRR hereby consents, to the extent necessary if any, to the sale of the Notes and the assignment of the Agreements by WCC to Prospect and hereby releases WCC from all obligations which WCC had or may have had under the Agreements or Notes.

ARTICLE IV Miscellaneous

SECTION 4.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 4.2 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument, and it shall not be necessary that any counterpart be signed by all the parties hereto.

SECTION 4.3 Headings. The headings hereof are for convenience only and are not intended to affect the meaning or interpretation of this Agreement.

SECTION 4.4 Effective Date. This Agreement shall be effective upon the date hereof.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective officers or representatives thereunto all of whom are duly authorized as of the day and year first above written.

WESTINGHOUSE CREDIT CORPORATION

By: *James F. Langford*
Title: Senior Investment Manager

GULF & MISSISSIPPI
RAILROAD CORPORATION

By: *[Signature]*
Title: Chairman of the Board

THE PROSPECT GROUP

By: *Samuel H. Hays*
Title: VP

SOUTHRAIL CORPORATION

By: *Mark M. Levin*
Title: General Counsel

LRL/lr/1171F/7170-2

*Washington
District of Columbia*

*Subscribed and sworn to before me by
Mark M. Levin this 20th day of May, 1988.*

-5-

[Signature]
NOTARY Public

My Commission Expires May 24, 1990

ANNEX III

1. (a) Senior Lien in favor of Westinghouse Credit Corporation ("WCC") under and pursuant to a Security Agreement and a Security Agreement (Maintenance Equipment), both dated as of June 28, 1985, made by the Railway Company to WCC in and to the following described railroad locomotives, railroad cars, and maintenance of way equipment:

<u>Model</u>	<u>Description</u>	<u>Manufacturer</u>	<u>Serial Number</u>
GP-10	Locomotive	GM	8034
GP-10	Locomotive	GM	8051
GP-10	Locomotive	GM	8100
GP-10	Locomotive	GM	8106
GP-10	Locomotive	GM	8115
GP-10	Locomotive	GM	8133
GP-10	Locomotive	GM	8148
GP-10	Locomotive	GM	8167
GP-10	Locomotive	GM	8187
GP-10	Locomotive	GM	8191
GP-10	Locomotive	GM	8193
GP-10	Locomotive	GM	8195
GP-10	Locomotive	GM	8197
GP-10	Locomotive	GM	8210
GP-10	Locomotive	GM	8211
GP-10	Locomotive	GM	8212
GP-10	Locomotive	GM	8215
GP-10	Locomotive	GM	8222
GP-10	Locomotive	GM	8223
GP-10	Locomotive	GM	8225
GP-10	Locomotive	GM	8226
GP-10	Locomotive	GM	8227
GP-10	Locomotive	GM	8228
GP-10	Locomotive	GM	8230
GP-10	Locomotive	GM	8235
GP-10	Locomotive	GM	8236
GP-10	Locomotive	GM	8247
GP-10	Locomotive	GM	8248
GP-10	Locomotive	GM	8256
GP-10	Locomotive	GM	8266

100 Ton Ore Hopper Car	Various	100715
100 Ton Ore Hopper Car	Various	100716
100 Ton Ore Hopper Car	Various	100717
100 Ton Ore Hopper Car	Various	100718
100 Ton Ore Hopper Car	Various	100719
100 Ton Ore Hopper Car	Various	100720
100 Ton Ore Hopper Car	Various	100721
100 Ton Ore Hopper Car	Various	100722
100 Ton Ore Hopper Car	Various	100723
100 Ton Ore Hopper Car	Various	100724

<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>MODEL</u>	<u>SERIAL NO.</u>
Bolt Machine	Raco	C	5555
Bolt Machine	Raco	C	5758
Bolt Machine	Raco	C	5370
Bolt Machine	Raco	C	5564
Spike Puller	Fairmont	W84P	232316
Spike Puller	Fairmont	W84-H-1	237720
Spike Puller	Fairmont	W84-H-1	246008
Rail Lifter	Fairmont	W86-P	237398
Rail Lifter	Fairmont	W86-P-1	236125
Tie Adzer	Nordberg	C2	4245
Anchor Machine	Pacine	PA	AP676
Ballast Cribber	RTW	DCOS-4	439
Rail Grinder	Remington	23	CD0005
Rail Grinder	Hall	23	868372
Scarifier/Insertar	Fairmont	W87-D	233402
Tie Handler	Nordberg	B	1003
Tie Handler	Kershaw	TC-C3	TC290
Tie Insertar	Fairmont	W-90	214977
Tie Insertar	Lang	FLS	19725
Tie Insertar	Lang	FLS	19723
Ry Rail Wheels (6 sets)	Fairmont	N/A	N/A
Ry Rail Truck Crane	Shield Benton	T 626	802
Air Compressor Bridge	Ingersoll Rand	G8B 125	A125WES8661
Bridge Derrick w/Power Pack	Fairmont	W 64-A	23362
Bridge Tools	N/A	N/A	N/A

<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>MODEL</u>	<u>SERIAL NO.</u>
Tie Shear	Fairmont	W114C	254172

<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>MODEL</u>	<u>SERIAL NO.</u>
Pick-up Truck	Ford	1982	
Pick-up Truck	Ford	1980	
Pick-up Truck	Ford	1980	
Pick-up Truck	Ford	1979	

<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>MODEL</u>	<u>SERIAL NO.</u>
Ballast Regulator	Kershaw	26-1-12	26-1031
Ballast Regulator	Kershaw	26-1-12	26-712
Spike Driver	Fairmont	W-96B	240349
Switch Tamper	Canron	E28	675506
Track Crane	Burro	40	162
Production Tamper	Canron		
Production Tamper	Canron		

<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>MODEL</u>	<u>SERIAL NO.</u>
Ballast Regulator	Kershaw	26-1-12	26-1137
Ballast Regulator	Kershaw	26-1-12	26-1183
Tie Handler	RTW	2170	338
Scarifier/Insertar	Fairmont	W-87	82012
Section Gang Machine	Canron	SCR	91402
Tamper	Canron	E2JD	677178
Tamper	Canron	E2J	676648